

**Kura 125** is located within the Chilean Cretaceous magmatic belt, host of many porphyry, epithermal, mesothermal and stratabound systems. Porphyries such as **Llahuin** (Hudbay; **170 Mton @ 0.28% Cu, 0.13 g/t Au and 70 ppm Mo**) and **Carmen de Andacollo Mine** (Teck; **690 Mton @ 0.34% Cu**); stratabound systems, such as **El Soldado** (AngloAmerican **270 Mt @ 0.9% Cu + Ag**) and **Lo Aguirre**, and epithermal / mesothermal systems like **El Bronce Petorca** (**1 Moz Au SCM Can-Can**), **Alhue** gold district (**> 1.5 Moz Au**) and **Las Palmas** (Figure 1).

Kura 125 district (Marga Marga) has been historically known by its gold pedigree since the **Inca period** and then during the **Spanish colony** positioned as the first and one of the richest gold areas paying tribute to King Ferdinand VII, with **> 1,060 Kg gold production** in the first six years.

Not surprisingly, Kura 125 has attracted several attempts for putting into scalable and permanent production their **free bearing gold veins** and **remnant dumps**. Notwithstanding, the very random gold nature and its required precise understanding to be successfully mined has end up interrupting the ventures. Management has also been an issue, since sophisticated, but non – technical investors have been managing operations for the last years.

A couple of learned lessons can be highlighted; processing via gravitational method (Falcon) is not efficient, because of the high proportion of the fine gold fraction. But selling dumps (bulk rock) to nearby established plants has worked, rising the question if an own plant is preferable. A processing expert and mining team is required. Heap leaching permits are in place.

<b>Project Name:</b>	Kura 125
<b>Location:</b>	55 km northwest from Santiago, Valparaiso Region.
<b>Latitude (UTM):</b>	6.325.500
<b>Longitude (UTM):</b>	299.500
<b>Ownership:</b>	50% natural person 50% private company
<b>Claims Status:</b>	Claims paid to date.
<b>Claim Type:</b>	Exploitation Concession.
<b>Tenure Size:</b>	300 ha – access to additional 1,100 ha
<b>Deposit Type:</b>	Au Vein system – porphyry
<b>Development Stage:</b>	2,760 m DDH / 27 drill holes. Remnant dumps, preliminary resource estimation, mining plan
<b>Infrastructure:</b>	Excellent road access, energy and water
<b>Negotiation Terms:</b>	Direct sell / lease contract Mining Option Agreement.



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# 1. Project Location

Kura 125 is situated in the Coastal Cordillera of Central Chile, 55 km northwest of Santiago and at 45 km from Viña del Mar city. The access is by the Santiago – Valparaiso highway (route 68) till Curacaví town, from where a 16 km road conduces to Lepe village and subsequently to Kura 125 village after 22 km sealed road.

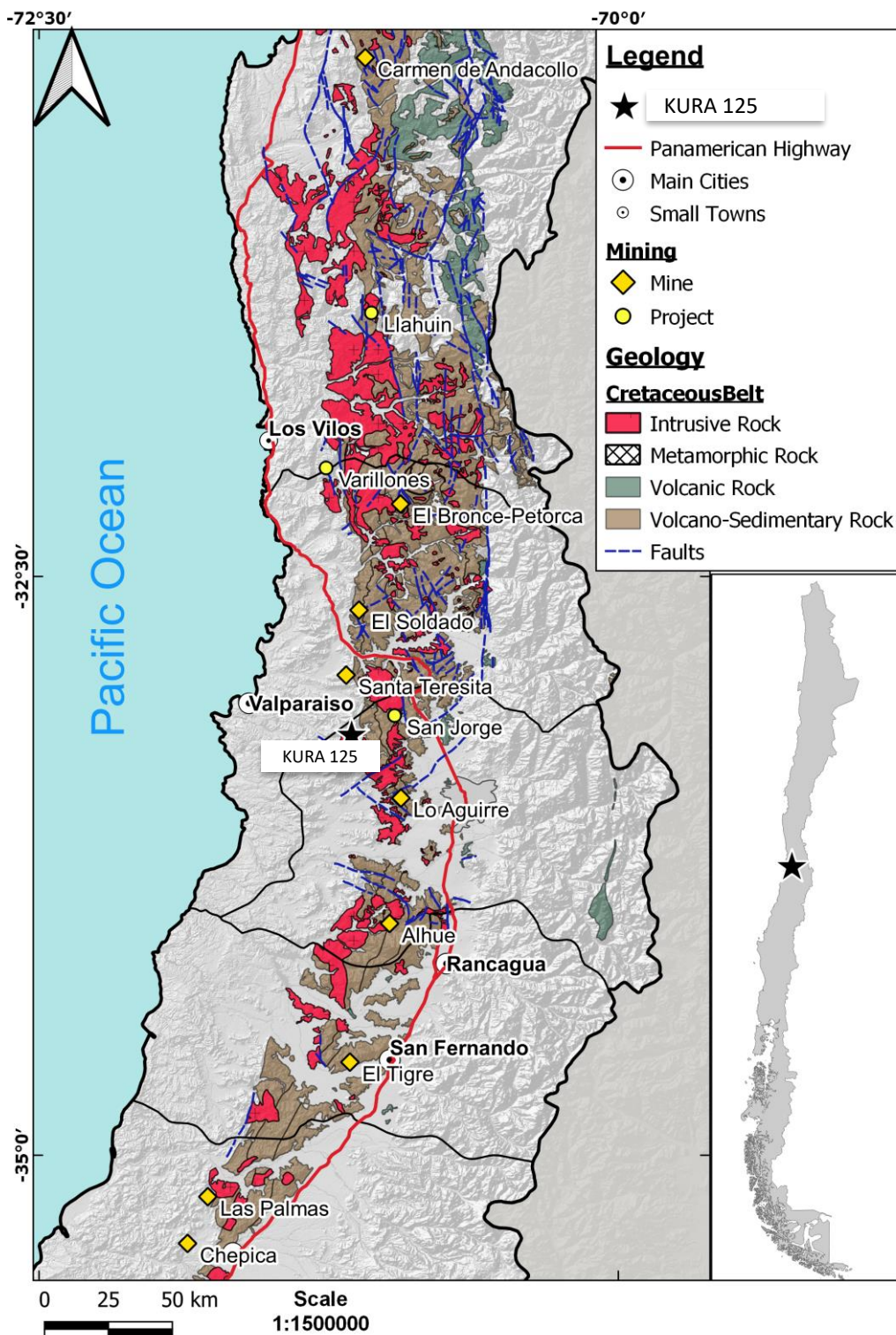


Figure 1: Kura 125 Gold Mine location map.

## 2. Exploration History

- **1438 – 1525:** Inca empire, there are evidences of Incas gold production at **Marga-Marga** creek, downstream of Kura 125 high grade gold veins.
- **1541:** Pedro de Valdivia founded the first gold mine of Chile under the Spanish regime; Marga – Marga, producing **1,060 Kg Au in six years (Kura 125 gold** among other sources).
- **1978:** At **El Alamo** mine, distant 7 km westward of Kura 125, two drill holes intercepted gold mineralization; **0.6 m @ 18 g/t Au** and 0.42% Cu at 64 m depth and **0.45 @ 83 g/t Au** and 0.3% Cu
- **2001:** Taruca submitted a dump Au project to Sernageomin, consisting in 250 ton per day **@ 2.6 g/t Au** to be processed gravitationally using a Falcon SB 250 concentrator. Total ore from dumps were estimated in **62,000 ton @ 2.6 g/t Au**, which would start feeding the plant at 3,600 t / month until reaching a maximum of 5,000 ton per month.
- **2008:** Yamana Gold evaluated Vizcaino area concluding Au potential between **120,000 to 180,000 Oz**, considering volumes of 200 m long, by 30 – 50 m wide and 100 m depth.
- **2009:** Dumps sold to ENAMI. September **366.87 ton @ 3.46 g/t Au**, October **1,603 ton @ 2.7 g/t Au**.
- **2010:** Electrum performed mapping, sampling (5,000 rock and soil samples), 95.5 km magnetometry and 21 km IP/RES lines and **11 DDH totalizing 2,225 m** and sampled every 2 m (969 samples).
- **2011:** Viento Norte sampled 60 points, obtaining up to **15.8 g/t Au** for Vizcaino pit, with an average grade of **2 g/t Au**. MVN estimated **92,000 Oz Au remain unmined. La Trillenta veins – old mine averages dumps with 4 g/t Au**.
- **2011:** Metallurgical test performed by Taruca indicate cyanide **recoveries of 86% Au** and flotation near 60%.
- **2013:** Siga Minería completed an exploration assessment for Cia Minera Kura 125 SpA, focusing on the **Vizcaino** pit area. 92 rock chip geochemical samples were taken. They estimated potential dumps resources for **28,800 ton @ 2.6 g/t Au**, from where **measured** dumps correspond to **7,700 ton @ 2.6 g/t Au (640 Oz Au)**.
- **2014:** Siga Minería defined and supervised a **535 m DDH campaign, distributed over 16 DDH**, with averages holes depths of 33 m. A non – compliant resource of **72,830 ton @ 1.4 g/t Au = 3,115 Oz (troy) Au** was established in **Vizcaino** area (Vulcan software). Works were concentrated in just 1,5 ha out of 100 ha.
- **2016 - 2018:** Minera Pullalli and Minera La Florida (Yamana Gold) have been intermittently buying Au dumps, totalizing **18,906 ton averaging 3.1 g/t Au**.
- **2019:** Sernageomin **approved 3 years plan** for the Kura 125 Plant Project for treating **1,500 ton / month** of Au rich dumps. Heap leaching and adsorption of coal activated gold. Expected production of 2.8 Kg gold per month.
- **2019:** Minera Kura 125 applied for increasing the approved 1,500 ton to 3,000 ton per month. Expected gold production would be 3.15 Kg/ month.

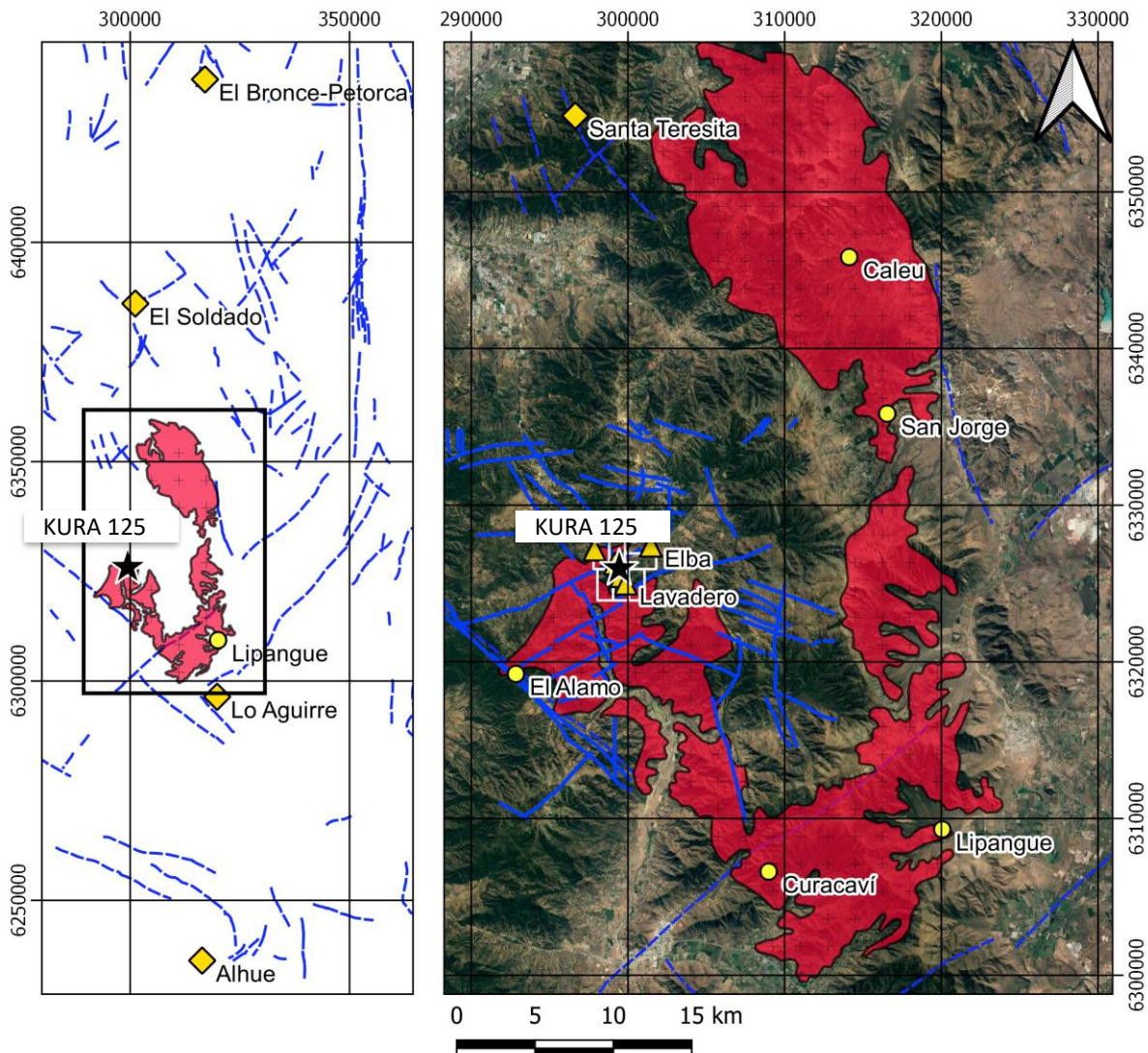


### 3. District Geology & Deposit Type

Several vein systems are emplaced within volcano – sedimentary units from Horqueta Fm. and intrusive units from the Jurassic – Cretaceous. There is a strong stratigraphic and **structural control**, determining gold deposition in the more permeable horizons and intersections. Known old mines in the sector are **Mina La Chilenita, El Alamo, Vizcaino, Trillenta** and **Lavadero** (Figure 4).

There is extensive hydrothermal alteration and limonites after primary sulphide leaching. Some top of hills shows advance argillic and intermediate argillic alteration and Fe-oxide stockwork. Quartz – sericite patches are associated to gold mineralization spots (**Mina Trillenta** and **Vizcaino**) and associated to hydrothermal breccias incipient vuggy silica has been recognized.

Similar epithermal veins systems to Kura 125 are **Bronce de Petorca (1 Moz Au)** and **Alhue district (> 5 Mt @ 6.4g/t Au – 40 g/t Ag / 1.3 Moz Au)**. The porphyry potential has been also recently highlighted in the **SEG** (Society of Economic Geologist / Richards et al, 2016), among other nearby prospects such as **Altos de Lipangue** (Auryn), **San Jorge** and **Caleu**.



**Figure 4:** Kura 125 location respect to their Cretaceous counterparts.

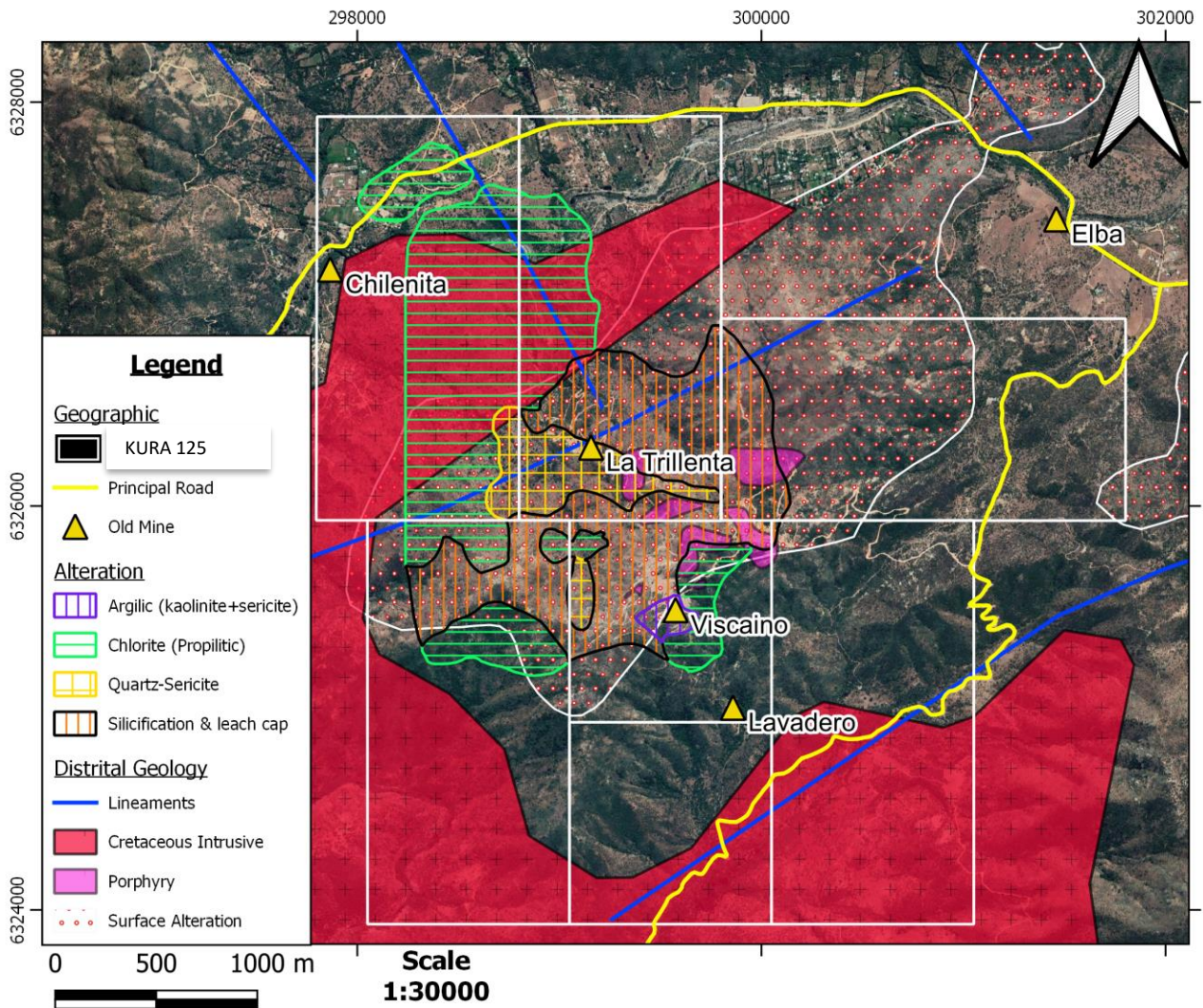


## 4. Local Geology

Kura 125 has been defined as a **hydrothermal vein system**, with local **brecciation**. The outcropping rocks are andesites, rhyolites, tuffs and lapilli with conglomerate levels (Horqueta Formation), intruded by Cretaceous granites. The gold vein system and breccias are emplaced in a **NE vertical faulting corridor** and have historically captured the work. The main mineralized areas are known as:

- **Viscaino**; Resources: pit 1 = 2,912 m<sup>2</sup> @ 2.52 g/t Au (88,478 oz Au). Pit 2 = 5,285 m<sup>2</sup> @ 2.75 g/t Au (175,235 oz Au), totalizing 263,713 oz Au from where a 65% have been already exploited leaving behind **92,300 oz Au** (MVN, 2011).
- **La Trillenta: 100,000 oz Au app** (MVN 2011)

A Cretaceous **porphyry event** has been recognized based on **propylitic, phyllic and sericite – chlorite** assemblages, cut by **B and D quartz veins**, defining a **> 2x2 km porphyry target** within a bigger alteration footprint (Figure 5 and 6).

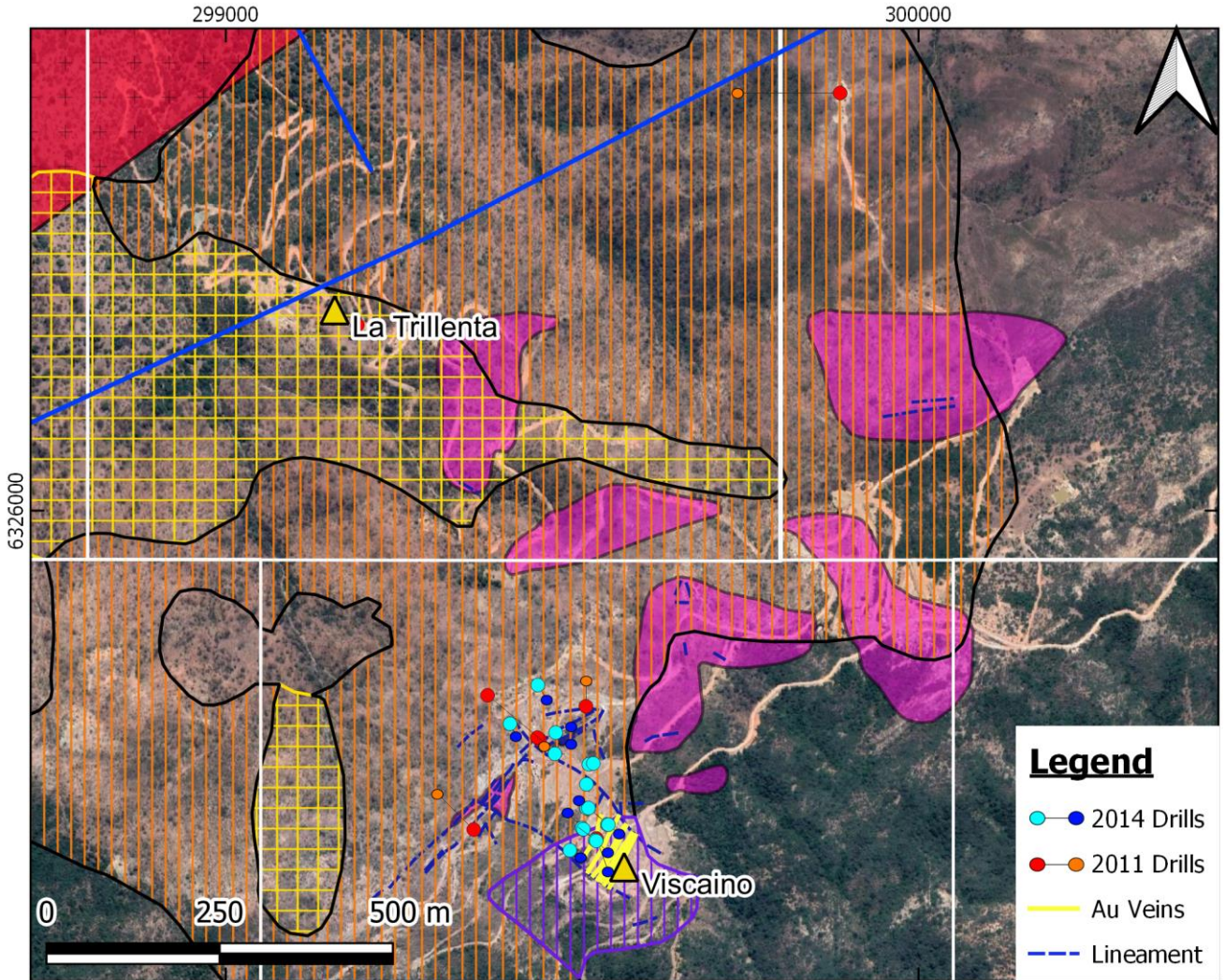


**Figure 5:** Satellite image showing the alteration footprint, highlighting the > 5 square kilometres prospective area, defined by silica – clay – sericite and propylitic assemblages, in addition to several mineral occurrences.



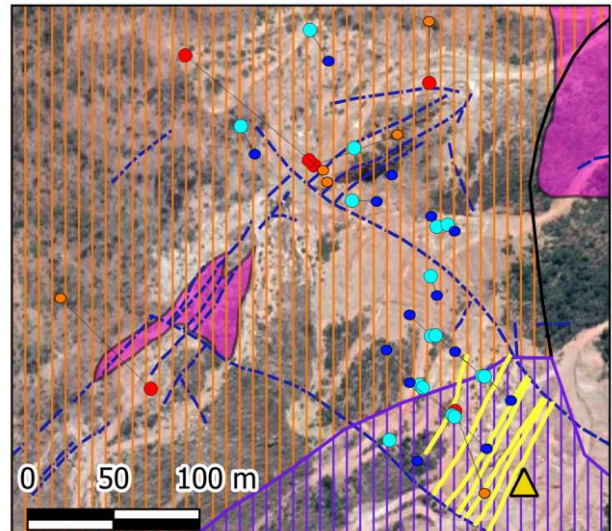
## 4. Local Geology

From the figure below it is evident that most of the resource estimation work (drilling) have been focused in Vizcaino area, leaving behind opportunities such as Trillenta old mine where porphyry features have been recognized (Figure 6).



**Figure 6:** Besides the epithermal gold vein mineralization present Kura 125, there is untested **porphyry potential** defined by alteration assemblages of **quartz – sericite – kaolinite – clays** and surrounding propylitic halo of chlorite – epidote – calcite, in addition to **B & D porphyry veins**.

Vizcaino sector focus almost all the drilling targeting Au rich veins and breccias.



## 5. Economic Geology

Gold mineralization at Kura 125 occurs as fine free gold (<7.5 microns), challenging the gravitational recovery. But cyanide test has demonstrated gold recoveries over 86% (Figure 6). Falcon concentration method helps in the process, but a cyanide leaching plant is required for gold extraction. There is still uncertainty if is economically convenient or not doing the Falcon pre-concentration or going straight to the leaching plant (Figure 7).

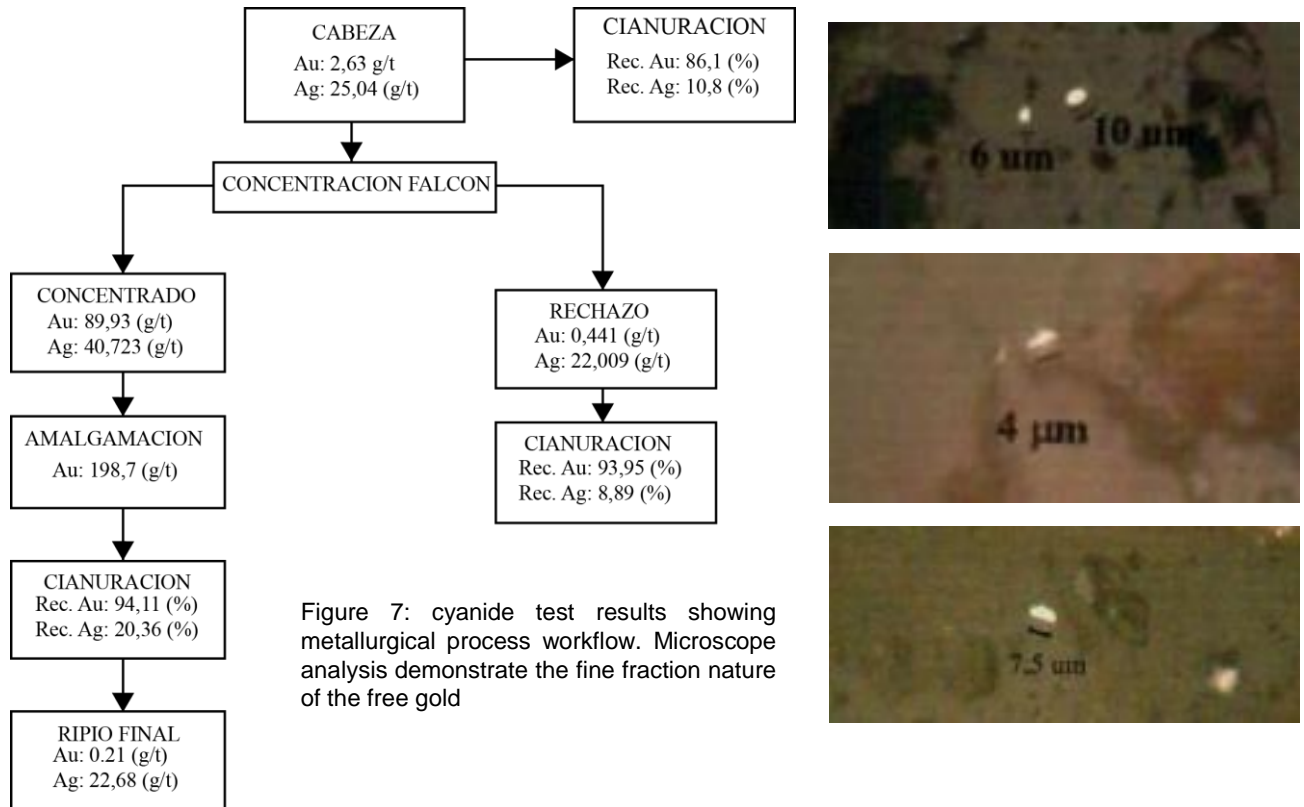


Figure 7: cyanide test results showing metallurgical process workflow. Microscope analysis demonstrate the fine fraction nature of the free gold

Table 1 summarizes resources estimations from potential to measured resources and integrates historic production data. Dumps have been separated from in – situ gold bearing veins.

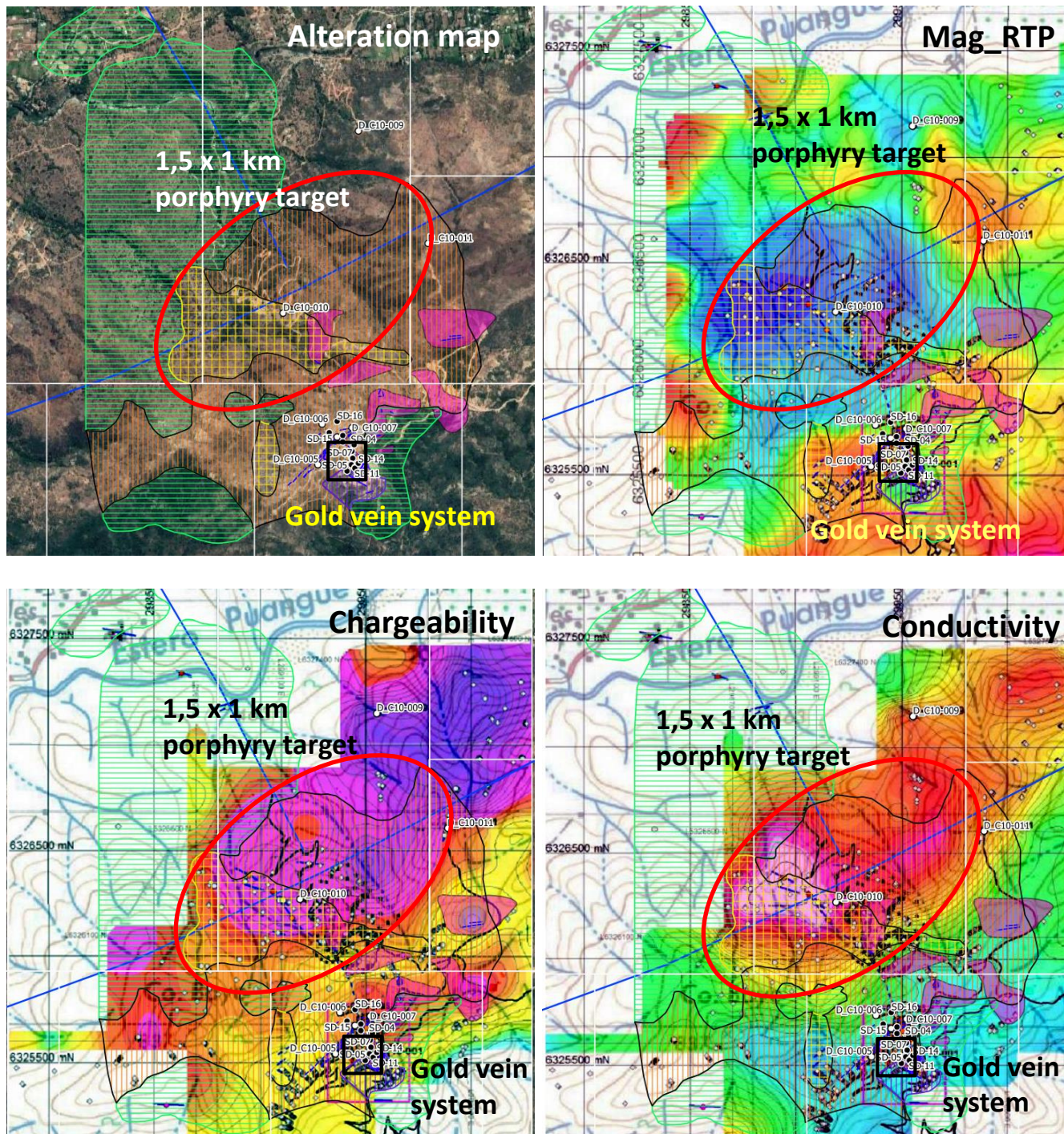
Year	Company	Ore	Potential Resources (ton)	Au g/t	Potential Au Resources (Oz)	Non-Compliant Resource	Measured Resources	Au g/t	Production	Au Oz
2008	Yamana Gold	Vizcaino		2.7	120,000 to 180,000 Oz					
2009	ENAMI	Dumps		2.84				2.84	1,970 ton	
2011	Viento Norte	Vizcaino		2	92,300 Oz					
2012	Taruca	Dumps	62,000 ton	2.6						
2013	Siga Minería	Dumps	28,800 ton	2.6			7,700 ton 6,500 ton 14,200 ton	2.6 ? 2.6 ?		640
2014	Siga Minería	Vizcaino				72,830 ton		1.33		3,115
2016-2018	Pullalli - Florida	Dumps		3.1				3.1	18,906 ton	
	<b>Average in-situ Au</b>		<b>1.4 Mt</b>	<b>2.4</b>	<b>120,000 Oz</b>	<b>72,830 ton</b>		<b>1.33</b>		<b>3,115</b>
	<b>Average Dumps</b>		<b>26500</b>	<b>2.6</b>	<b>2,430 Oz</b>					
			<b>non - valuable</b>			<b>valuable - high risk</b>				

Table 1: Summary of different resource estimations made by different authors



## 6. Thinking out of the box - Porphyry Potential

Besides the gold resources, Kura 125 offers the chance to find a bulk mineable porphyry deposit based on the classic alteration assemblage **zonation from propylitic to sericitic and intermediate argillic to advance argillic**. **B and D veins** have also been described. The porphyry target shows a low magnetic signature because of magnetite destruction related to acid hydrothermal fluids (phyllitic to advance argillic alteration). Chargeability shows high values and conductivity too, extending the system towards the NE (Figure 8).

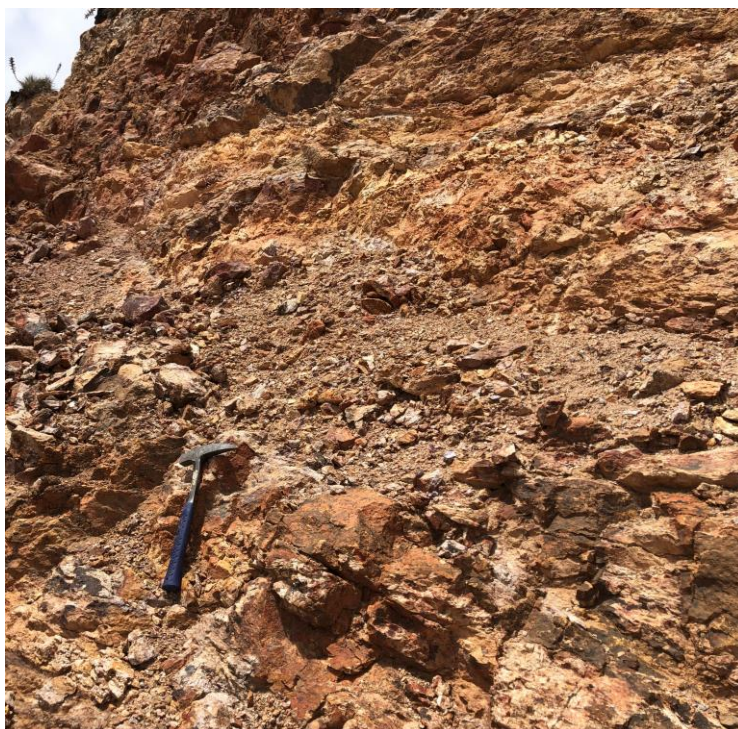


**Figure 8:** The RTP shows a subcircular 1x1 km low mag anomaly suggesting phyllic alteration well developed at depth and high level exposed porphyry. High Chargeability and Conductivity 2 x 1 km anomaly suggesting sulphide mineralization.



## 6. Porphyry Potential – Photo Gallery

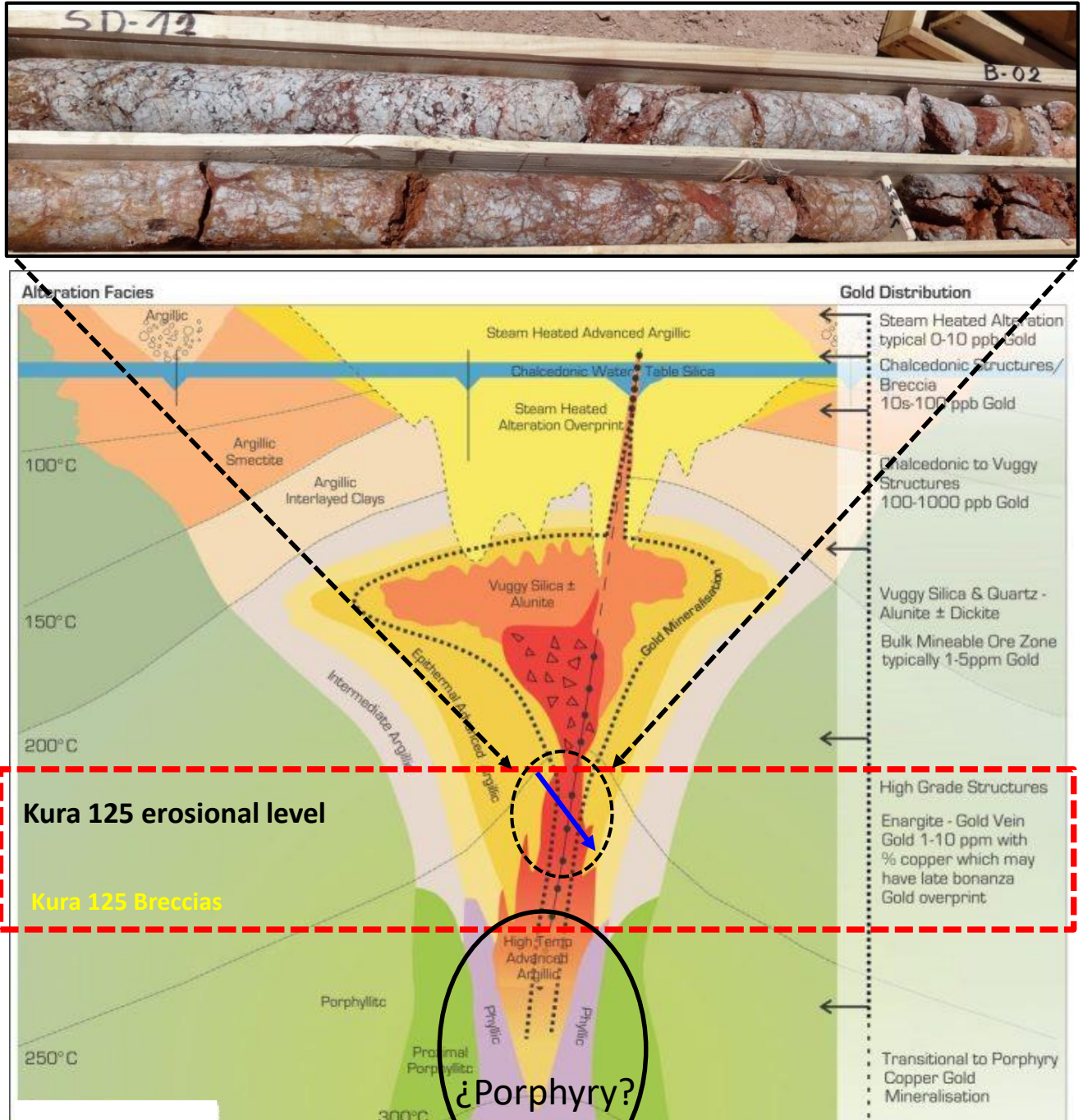
Up: Porphyry quartz – sericite – kaolinite alteration footprint extended for > 2 x 1 km; NE aligned.  
Down: gold veins within the porphyry target and out of the historical mine area (and recent work performed), opening opportunities to increase gold resources.





## 7. Exploration Model

Kura 125 represents a **well-endowed epithermal – porphyry transitional system**, characterized by its intermediate **sulphidation** nature, with **several Au rich veins** and **Cu anomalies**. The **alteration footprint** of **3 x 1.5 km** highlights the sizeability of the porphyry system, which remains largely unexplored. The drill hole picture below shows an Au rich hydrothermal breccia with secondary Goe-Hem mineralization (after sulphide) and sericite – clay alteration, representing a typical bonanza Au area before starting the porphyry transition zone.



**Figure 8:** Conceptual hydrothermal model showing the different genetic levels of the epithermal and porphyry systems and their key characteristics. Kura 125 is interpreted to be at the gold rich cap – gold veins in a transitional level to a porphyry Cu-Au system.



## 8. Business Opportunity

Kura 125's gold vein – breccia complex, represents a **fast track mineable Au deposit** with dumps ready to start production. **Dumps** estimations average is **26,500 ton @ 2.6 g/t Au**, while **in situ potential** estimation is **1.4 Mt @ 2.4 g/t Au**. A cyanide **heap leaching plant at 1,500 tons per month** have been **approved by Sernageomin** and an increase to 3,000 ton/ month have been submitted.

Besides the quick gold production potential that Kura 125 offers, its porphyry potential have remained largely unexplored. The **color anomaly is about 3 x 1.5 km**, where a **classic porphyry alteration zonation** have been mapped, defining a **2 x 2 km propylitic – phyllic halo**, overprinted by intermediate argillic and advance argillic remnants. **B and D porphyry veins** have also been observed. The porphyry target coincides with a **low mag signature** and **high chargeability – conductivity area**, typically from an epithermal, gold rich – acid hydrothermal fluids in transition towards the porphyry environment.

Beyond its geological endowment, Kura 125 offers notable logistic benefits as it is located less than 45 km from the coast, at a low geographic altitude with excellent road access and close to existing infrastructure. Previous small producers have had enough water for operations by purchasing from near farmers (wells). Furthermore, it sits within a mining friendly district with no environmental and community foreseeable constrains.

Three deal structures have been considered for any given interested party; i) direct sale upon agreement on in situ gold ounces ii) option agreement considering the porphyry potential and unexplored Au veins and iii) lease contract for gold production via royalty payments.



## Document list – available upon CA signing

- **2001:** Proyecto de Beneficio de Minerales del Desmonte de Mina Kura 125, Sector Cerro Viejo. Compañía Miera Taruca (Q & Q Ltd.)
- **2009:** ENAMI dumps invoices
- **2011:** Prospecto Kura 125, Informe técnico 02/11, Minera Viento Norte (Oscar Torres)
- **2011:** Estimación de Contenido de Oro en Cerro Vizcaino, Minera Viento Norte (P. Parra)
- **2011:** Proyecto Planta Concentradora de Oro, Faena Kura 125, Compañía Minera Taruca (Bettoli SA).
- **2011:** Pruebas de Cianuración sobre productos de Concentrador Falcon (Geomet SA)
- **2013:** Reconnaissance Submittal: Mina El Alamo (Luis González)
- **2013:** Proyecto Sondajes Kura 125 (Siga Ingeniería)
- **2014:** Asesoría Geológica Yacimiento Kura 125, Siga Minería & Geotecnia S.A.
- **2016:** The Kura 125 Veins Set at the Coastal Range of the Valparaiso Region, Central Chile Gold Belt: Geologic Framework and Potential for Porphyry Mineralization. (Mario Orrego)
- **2016 - 2018:** Sales gold Invoices to Minera Pullalli and Minera La Florida (Yamana Gold), totalizing **18,906 ton averaging 3.1 g/t Au.**
- **2019:** Resolución Excenta N° 247: Aprueba el Proyecto Minero “Planta Kura 125”, Sernageomin, Gobierno de Chile.
- **2019:** Legal and Financial database folder (admin, financial statements, cash flow estimation)
- **2019:** Geopackage: technical data complication, Kura Minerals.

### Drill Holes availability:

- 2010 Electrum Campaign: drill holes on site
- 2014 Siga Ingeniería: drill holes on site and complete database

### Recommended Papers:

- **1991:** A History of Gold in Chile, Economic Geology (W. Cuadra an P.M. Dunkerley)
- **2016:** Contrasting Tectonic Settings and Sulfur Contents of Magmas Associated with Cretaceous Porphyry Cu – Mo – Au and Intrusion Related Iron Oxide Cu-Au Deposits in Northern Chile (Richards et al.)